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Perth - second most competitive economy in Australia

Health care and social assistance, accommodation and food services, construction and retail trade have been the key industries driving local economic competitiveness across Greater Perth. The latest FACTBase report by the Committee for Perth has found that while Greater Perth is the second most competitive economy in Australia, it's not enough, with the region scoring the lowest in the country for a key driver of growth and innovation.

"In the 21st century, local economic competitiveness has become an increasingly important focus for policy-makers and planners when it comes to urban development because they're looking to invest and develop areas where the local economy will expand and where there will be increased prosperity and job creation," said Committee for Perth CEO, Marion Fulker.

"When we're examining local economic competitiveness, we're looking at local factors which drive economic growth beyond what's expected based on national trends, including human capital, innovation, technological advancement, entrepreneurship, agglomeration, infrastructure and accessibility."

The FACTBase report created a scorecard for each mainland Australian capital city, Greater Sydney had the highest level of economic competitiveness at 10.98%. Perth was second with a score of 7.29%, Greater Melbourne was 5.96%, Greater Brisbane 5.55% and Greater Adelaide 1.28%.

"This means that 7.29% of Perth's employment growth was linked to local competitiveness factors rather than broader national growth patterns or the particular combination of industries within the Perth and Peel region," added Mrs Fulker.

"But in today's global economy, it's not enough to be doing well nationally, Perth needs to be competitive with other economies across Australia and the rest of the world. This means we need to be conscious about how we compare competitively with cities in Asia, the Americas and Europe."

While health care and social assistance, accommodation and food services, construction and retail trade are driving Greater Perth's economic competitiveness, between 2011 and 2016, professional, scientific and technical services significantly underperformed.

When it comes to where our competitive industries are predominantly located, they were in the North-West sub-region and in the South Metropolitan Peel sub-region. Forrestdale – Harrisdale – Piara Waters, had seven industries with more than 15% of employment growth linked directly to local competitiveness. Highly competitive economic clusters could also be found in Hope Valley – Postans, Bertram – Wellard (West), Parmelia – Orelia, and Calista, which are all located within or close to the Western Trade Coast, Western Australia's premier industrial area.

“When we look at the parts of Greater Perth that haven’t done well, retail trade was the most significant industry to influence those falling into the low local competitiveness bracket. But when you look at the broader metropolitan level, the sector was highly competitive, which highlights the importance of local conditions in shaping its performance,” Mrs Fulker added.

“Other areas that received significantly low local competitiveness scores are potentially impacted by ageing infrastructure, congestion and transport efficiency issues and higher land costs, which all affect their ability to improve their competitiveness.

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